Covanta Haverhill, Inc. A Covanta Energy Company 100 Recovery Way Haverhill, MA 01835 Telephone #: 978-372-6288 Facsimile #: 978-521-1359



August 24, 2006

Ms. Nancy Seidman MA Department of Environmental Protection One Winter Street, Ninth Floor Boston, MA 02108

Dear Ms. Seidman,

Covanta Haverhill recently received your letter and offers the following information to hopefully address your questions and helpful suggestions regarding the proposed Mercury Product Material Separation Plan IV (MSP IV) for Covanta Haverhill Inc.

In general, Covanta Haverhill is pleased to learn of the Mass DEP's intention to actively promote the MSP IV services.

Responses to Comments:

1. **Part C - Mercury Product Collection Events:** Covanta Haverhill has reviewed your comments as well as our original description for this activity. Based on this review, Covanta Haverhill has revised this activity.

In general, Covanta will focus on promoting Hg product drop off **options** to residents and small businesses based upon systems available per community. We have researched ways to minimize the cost for staging events. As a result, \$5000 was able to be eliminated from this activity's budget. Based upon other DEP comments, this money has been transferred to the Health Care Facility Cleanout budget.

Section III B has also been revised to clarify that the MSP coordinator will be working with additional communities to establish local ordinances requiring businesses to establish formal Hg product recycling plans such as is done in city of Haverhill.

See revised MSP IV language in Sections III B and III C attached.

2. Part H – Health Care Facility Mercury Cleanouts. To clarify, this activity will not narrowly focus on one type of health care facility, but rather, Covanta Haverhill will investigate numerous types of health care facilities including hospitals, clinics, medical professional offices, nursing homes, etc. At this point, we are still researching how many facilities are within our service region.

Initially, we would like to offer the benefit to nonprofit organizations, and to facilities that show an eagerness to work together on this issue. We would then continue to research and approach other possible candidates.

Similar to the school cleanouts, Covanta, together with our school cleanout contractor, will reach out to a facility's director to explain the program, conduct an inventory and schedule product cleanout\replacement.

As noted above under item 1, the budget for this activity has been increased to allow for more possible events.

As described in the plan, Covanta may be willing to expand this program to more facilities based the number of facilities identified in our service region and upon results that occur during the first year.

See revised MSP IV language in Section III H attached.

3. Administrative Costs

Covanta Haverhill conducted a review of the funds budgeted vs funds spent for direct mercury recovery activities (i.e. Hg contractor costs, municipal reimbursements, etc) over the past years.

Covanta determined that at no time did we ever limit the money spent on these activities. In most cases, despite our best efforts, we were unable to spend all the amount budgeted. Therefore, we can not see why it would make sense to increase these budgets even more.

As you may know, the success of the Covanta Haverhill's program is largely due to the outreach activities conducted by our MSP coordinator and his consultants (i.e. Cuoco and Cormier - School Cleanout Consultant).

As you also know from MSP III, for very successful Covanta activities, we did not suspend the work at that point, but made changes to transfer funds from a slower activity and continue the effort and success.

For MSP IV, Covanta would utilize the same procedure. Covanta will not limit our efforts because an activity is successful.

As has been discussed during each Annual Report Review meeting with Mass DEP, for MSP III, administrative costs to implement the program have consisted of MSP Coordinator's salary, benefits, expenses, training, office costs, support personnel costs, management oversight, and development costs for future plans. These costs have been clearly reported in our annual reports.

Covanta would be interested in hearing exactly what direct mercury recovery activity that Mass DEP is interested in increasing funds.

4. Service Area Definition

As discussed recently, Covanta considers this a serious issue that affects our business and the ability to provide services to our contract communities.

However, Covanta Haverhill would be willing to examine proposals from non-contract municipalities provided certain conditions could be met:

• The municipality would need to prove that all of its waste had been coming to Covanta Haverhill over the past year through scale tickets. They should be able to get the scale tickets from their hauler. The municipality would need to continue providing that same information to Covanta Haverhill for the duration of MSP IV.

• The municipality would have to require their hauler to bring all of their waste to Covanta Haverhill for the duration of MSP IV.

• Finally, a municipality would need to show an eagerness to participate in the any of the Covanta program activities, both from the city's administration and the implementing department (i.e. DPW).

As Covanta has found in past years, these activities take a lot of work to set up in a community. When a community is not responsive to an activity, even at no cost to them, the amount of effort and expenses skyrocket.

See revisions to MSP IV, Section II D.

5. Document Format/Cleanup.

Table of Contents has been corrected. See attached revised document.

If you have any questions regarding the revised MSP IV, please contact George Drew at Covanta Haverhill at 978-241-3025 or gdrew@covantaenergy.com.

Sincerely,

George Drew Environmental Compliance Specialist

Attachment: Revised MSP IV

CC: J. Lynch K. Nydam D. Harty